
SENATE CONCURRENT RESOLUTION

REQUESTING THE DEPARTMENT OF TAXATION TO ENFORCE THE COLLECTION
OF THE TRANSIENT ACCOMMODATIONS TAX ON UNREGISTERED
VACATION RENTALS; AND BED AND BREAKFAST HOMES AND
REQUESTING THE COUNTIES TO ~~ENFORCE THE ZONING LAWS~~
~~AGAINST ILLEGAL OPERATIONS~~ OF VACATION RENTALS; BED
AND BREAKFAST OPERATIONS.

*determine and
establish
appropriate
regulatory
requirements*

1 WHEREAS, chapter 237D, Hawaii Revised Statutes (HRS),
2 imposes the transient accommodations tax (TAT), commonly known
3 as the hotel room tax, on such transient accommodations as
4 hotels, motels, and other places in which lodgings are regularly
5 furnished to transients for consideration; and

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7 WHEREAS, all transient accommodations are required under
8 section 237D-4, HRS, to register with the Department of Taxation
9 and to obtain a TAT license to legally operate; and

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11 WHEREAS, transient accommodations include "bed and
12 breakfast" operations, which are located in private residences
13 in residentially zoned neighborhoods wherein the owner also
14 occupies the same premises; and

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16 WHEREAS, a bed and breakfast operation is a type of
17 "transient residential vacation rental" that is usually located
18 in residentially zoned areas; and

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20 WHEREAS, many bed and breakfast operations are unregistered
21 and unlicensed, and operate illegally; and

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23 WHEREAS, some operators of bed and breakfasts and of
24 transient residential vacation rentals are in violation of
25 county zoning laws as they lack the required permit, and in
26 violation of the transient accommodations tax laws because they
27 are not registered and licensed; and
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1 WHEREAS, many transient residential vacation rentals and
2 bed and breakfast operations advertise over the internet, so
3 their identities are known or can be known readily to the
4 counties and to the Department of Taxation; and

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6 WHEREAS, pursuant to section 237D-6.5, HRS, the transient
7 accommodations tax revenues are distributed to the counties,
8 convention center enterprise special fund, tourism special fund,
9 state parks special fund, special land and development fund to
10 fund the Hawaii statewide trail and access program, and the
11 transient accommodations tax trust fund; and

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13 WHEREAS, any loss of revenue from the transient
14 accommodations tax has wide-ranging effect on broad categories
15 of programs and county revenues that depend on the TAT;

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17 WHEREAS, the counties are not effectively addressing the
18 issue of regulating these types of visitor accommodations,
19 resulting in the loss of general excise or transient
20 accommodations tax revenues, or both, and placing owners of
21 these types of visitor accommodations in a tenuous position of
22 not knowing what the future holds; and

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24 WHEREAS, those who have been operating legal bed and
25 breakfast homes and transient vacation units and paying their
26 taxes deserve the peace of mind that their industry is being
27 appropriately regulated; and

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29 WHEREAS, the bed and breakfast home and transient vacation
30 unit industry recognizes that the counties are the appropriate
31 governmental entity to regulate their industry; now, therefore,

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33 BE IT RESOLVED by the Senate of the Twenty-third
34 Legislature of the State of Hawaii, Regular Session of 2005, the
35 House of Representatives concurring, that the Department of
36 Taxation is requested to enforce the collection of the transient
37 accommodations tax on bed and breakfast operations and on
38 transient residential vacation rentals, especially those that
39 advertise over the internet; and
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deleted

2 BE IT FURTHER RESOLVED that the counties are requested to
3 enforce their respective zoning laws and regulations on bed and
4 breakfast operations and on transient residential vacation
5 rentals, especially those that advertise over the internet; and

6 BE IT FURTHER RESOLVED that the Department of Taxation and
7 the counties with support from the Hawaii Tourism Authority
8 cooperate for the purpose of enforcement; and

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10 BE IT FURTHER RESOLVED by the House of Representatives of
11 the Twenty-third Legislature of the State of Hawaii, Regular
12 Session of 2005, the Senate concurring, that the City and County
13 of Honolulu, the County of Hawaii, the County of Maui, and the
14 County of Kauai, are requested to determine and establish
15 appropriate regulatory requirements for bed and breakfast homes
16 and transient vacation units in their respective counties,
17 including the consideration of imposing a licensing fee to
18 support the enforcement of county policy; and

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20 BE IT FURTHER RESOLVED that the Department of Taxation, as
21 well as the City and County of Honolulu, County of Kauai, County
22 of Maui, and County of Hawaii each report to the Legislature on
23 the progress and results of their ~~enforcement~~ efforts, and
24 describe its action plan to institute such regulating
25 requirements, no later than twenty days prior to the convening
26 of the Regular Session of 2006; and

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28 BE IT FURTHER RESOLVED that the report include, but not be
29 limited to, proposals for legislation, if any; and

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31 BE IT FURTHER RESOLVED that certified copies of this
32 Concurrent Resolution be transmitted to the Governor, Director
33 of Taxation, and the respective Mayors and County Councils of
34 the City and County of Honolulu, and the Counties of Kauai,
35 Maui, and Hawaii and the Hawaii Tourism Authority.